

NEWPORT URBAN RENEWAL AGENCY
RESOLUTION NO. 3705

A RESOLUTION AUTHORIZING THE ISSUE AND SALE OF UP TO
\$5,475,000 OF URBAN RENEWAL BONDS.

WHEREAS, in May of 2007 the Newport Urban Renewal Agency (the "Agency") issued its \$900,000 Tax-Exempt Urban Renewal Bond (South Beach Urban Growth Area) and executed a Master Bond Declaration for the South Beach Urban Growth Area (the "Area") that describes the terms under which future borrowings for the Area will be secured; and,

WHEREAS, in May 2008 the Agency issued its \$2,530,000 Tax-Exempt Urban Renewal Bond (South Beach Urban Growth Area) as Parity Indebtedness under the Master Bond Declaration; and,

WHEREAS, in July 2010 the Agency entered into an \$8,465,000 Intergovernmental Agreement with the City of Newport as Parity Indebtedness under the Master Bond Declaration; and,

WHEREAS, the Area has a maximum indebtedness limitation of \$38,750,000, and the Agency has issued less than \$18,201,000 of indebtedness that is subject to that limitation; and,

WHEREAS, the Agency now desires to borrow up to \$5,475,000 in accordance with the terms of the Master Declaration to finance projects described in the urban renewal plan for the Area, including purchasing land;

WHEREAS, the additional borrowing will be secured by a first lien on the tax increment revenues of the Area and on a parity with the outstanding senior lien indebtedness of the Area; now, therefore,

BE IT RESOLVED by the Newport Urban Renewal Agency as follows:

Section 1. Definitions.

Unless the context clearly requires otherwise, capitalized terms which are used in this resolution shall have the meanings defined for such terms in this Section 1.

"2015 Bonds" means the indebtedness authorized by Section 2 of this resolution.

"Agency Official" means the Executive Director or the person designated by the Executive Director to act as Agency Official under this resolution.

"Area" means the South Beach Urban Growth Area which is described in the Plan.

"Divide the Taxes Revenues" means the taxes which are divided based on the increase in value of property in the Area and which are payable to the Agency under

the provisions of Article IX, Section 1c of the Oregon Constitution and ORS Chapter 457, as those provisions exist on the date of this Resolution.

“Master Declaration” means the Master Bond Declaration for the South Beach Urban Growth Area that is dated May 15, 2007, as it may be amended from time to time in accordance with its terms.

“Plan” means the Urban Renewal Plan for the South Beach Urban Growth Area, which was adopted by City Ordinance No. 1341 on September 12, 1983, together with existing and future amendments.

“Special Levy” means a city-wide property tax levy for the Area which is authorized by Article XI, Section 11(16) of the Oregon Constitution and ORS 457.435(2)(c).

“Tax Increment Revenues” means all revenues from the Divide the Taxes Revenues and the Special Levy, and all earnings on those amounts while they are under the control of the Agency.

Section 2. Authorization of 2015 Bonds.

The Agency hereby authorizes the sale and issuance of the 2015 Bonds in an aggregate maximum principal amount of \$5,475,000. Proceeds of the 2015 Bonds shall be used to finance projects in the Plan for the Area, including purchasing land, and to pay costs relating to the 2015 Bonds. A reserve account may also be funded with proceeds of the 2015 Bonds.

Section 3. Security for 2015 Bond.

The 2015 Bonds shall be issued as “Parity Indebtedness” pursuant to the Master Declaration, and shall be payable solely from the Tax Increment Revenues, reserves and related amounts that are pledged in the Master Declaration. The Master Declaration obligates the Agency to impose a Special Levy each year, if necessary, so that the Agency will receive Tax Increment Revenues for that year which are at least equal to one hundred twenty-five percent of the debt service for that year on all “Bonds” issued under the Master Declaration, including the 2015 Bonds. The 2015 Bonds shall not be general obligations of the City, the Agency or Lincoln County, Oregon.

Section 4. Delegation.

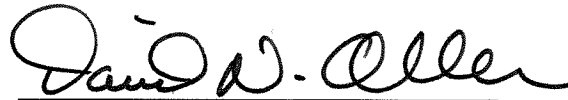
Each Agency Official is hereby authorized, on behalf of the Agency and without further action by the Agency to:

- 4.1. Issue the 2015 Bonds in one or more series which may be sold at different times.
- 4.2. Establish the final principal amount, maturity schedule, interest rates, sale prices, redemption terms, payment terms and dates, and other terms for the 2015 Bonds.
- 4.3. Finalize the terms of, execute and deliver any amendments to the Master Declaration which facilitate the issuance of the 2015 Bonds.

- 4.4. Enter into covenants to maintain the excludability of interest on the 2015 Bonds from gross income under the Internal Revenue Code of 1986, as amended, or provide that the 2015 Bonds may bear interest that is includable in gross income under that code.
- 4.5. Designate the 2015 Bonds as a “qualified tax-exempt obligations” pursuant to Section 265 of the Code, if applicable.
- 4.6. Prepare, approve, deem final and circulate any disclosure documents that are required in connection with the 2015 Bonds.
- 4.7. Obtain ratings, bond insurance or reserve sureties for the 2015 Bonds, and enter into related agreements as necessary.
- 4.8. Prepare, execute and deliver one or more Supplemental Declarations, Bond Purchase Agreements or similar documents for each series of 2015 Bonds. The documents shall specify the terms under which each series of the 2015 Bonds are issued, the administrative provisions that apply to each series of the 2015 Bonds and the form of each series of the 2015 Bonds. The documents may also contain covenants for the benefit of the owners of each series of the 2015 Bonds.
- 4.9. Establish a reserve subaccount in the Bond Reserve Account for the 2015 Bonds, and fund that subaccount with Tax Increment Revenues or the proceeds of the 2015 Bonds, as necessary.
- 4.10. Select one or more underwriters, commercial banks or other purchasers for the 2015 Bonds, and enter into agreements with those purchasers for the sale of the 2015 Bonds.
- 4.11. Execute all documents on behalf of the Agency and to take any other action which is desirable in order to issue, sell and deliver the 2015 Bonds in accordance with this resolution.

ADOPTED this 2nd day of March, 2015.

Newport Urban Renewal Agency,



Chair

ATTEST



Executive Director